

Morinaga Milk Group Tax Policy

Morinaga Milk Industry Co., Ltd. and its Group companies (hereinafter "Morinaga Milk Group") hereby establish this policy for the purposes of complying with tax laws and regulations in the countries and regions where we conduct business, and of minimizing tax risks and optimizing tax costs while properly paying taxes.

1. Observance of Tax Laws and Regulations, and Maintenance/Improvement of Tax Compliance Awareness

We comply with tax laws and regulations in the countries and regions where we conduct business, as well as with other international agreements including the OECD Guidelines, and work to maintain and improve tax compliance awareness.

2. Minimization of Tax Risks

We seek to minimize potential tax risks by deepening our understanding of tax laws and regulations in the countries and regions where we conduct business, and by adapting appropriately to changes in the applicable tax systems and tax administration. When conducting transactions for which the interpretation of taxation is unclear, we will seek expert advice as necessary, evaluate the validity of tax treatment and the magnitude of risks, and strive to make appropriate decisions.

3. Fulfillment of Proper Tax Payment Obligations and Optimization of Tax Costs

In order to fulfill our tax payment obligations in an appropriate manner, we will not engage in artificial tax avoidance or excessive tax saving separated from the aims or circumstances of our business. At the same time, we will strive to optimize tax costs through the application of available tax incentives, within the scope of the normal conduct of business.

4. Transfer Pricing

We take into consideration prices between independent companies in our transactions with parties overseas, and strive for appropriate profit distribution in line with the functions and the contributions of individual countries and companies.

5. Relationships with Tax Authorities

We cooperate with tax audits and tax collection procedures in all applicable countries, and strive to establish sound and healthy relationships with tax authorities through constructive dialogs.

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